

MEMBERS PRESENT: Chairman Banner
Vice Chairman Thompson
Mr. Bennett
Mrs. Cafferata
Ms. Foley
Mr. Jeffrey
Mr. Rackley
Mr. Rhoads

MEMBERS ABSENT: Mr. Hickey

GUESTS PRESENT: See guest list attached.

WITNESSES TESTIFYING:

Joe Nusbaum, Chairman, NIC
Leroy Bergstrom, Kafoury Armstrong & Co.
John Flanigan, Vice Chairman for the Advisory
Board of Review for NIC
Jim Wadhams, Director for Department of Commerce
Jack Kenney, Southern Nevada Homebuilders
Claude Evans, AFL-CIO
Stan Jones, Northern Nevada Central Labor Council
Business Representative

Vice Chairman Thompson called the meeting to order at 5:05 p.m. and directed the attention of the committee to AB-683, explaining that the bill's intent does not appear clearly in its present form and asked that the hearing on this bill be held over to a later date for clarification.

SB-548: Reorganizes system of labor and industrial insurance.

Mr. Nusbaum, Chairman NIC, supports the bill and explained to the committee that over the last year a number of people have looked at the organization of workers' compensation in Nevada and have become convinced that the present system is the source of some of the problems existing and that some restructuring is necessary. The result is SB-548. Before going through the bill Mr. Nusbaum explained how the present plan was arrived at.

In the spring of 1980 the Commission and the Advisory Board of Review agreed on studies in ten areas that were of major and mutual concern. Three of the studies dealt with organizational problems. A management consulting firm, Kafoury Armstrong & Co. was selected to do the staff work on these three organizational studies. Mr. Bergstrom of this firm was present at the meeting and was introduced to the committee by Mr. Nusbaum.

Mr. Bergstrom, Kafoury, Armstrong & So., told the committee that the initial engagement his company had with the NIC was to analyze its structure internally in relation to other agencies within the state of Nevada. As their work began it became evident that there had been significant changes in the industrial insurance system in the last few years, many brought about the the legislative process. The material changes made by the legislature included the assignment of an independent hearings function, the establishment of two-way insurance with the self insured and providing the the regulation of those people through the Department of Commerce.

For almost 70 years the NIC was a single agency responsible for selling and servicing insurance, regulating itself, regulating the employers for safety and even acting in the judicial capacity in reviewing claims. After the legislative changes taking away the judicial capacity and establishing two-way insurance, what was recognized as remaining were two things; the insurance business and the regulatory functions traditionally performed by government. These two services do not seem to be working well under one agency.

Many other states' industrial insurance delivery systems were studied. The conclusions reached were that the NIC should be divided into two elements; first an insurance element that is run as an insurance company to be effective competitively to produce the best product for the best price; second, a regulatory agency separate from the insurance. This original recommendation to the Advisory Board and to the NIC was that the regulatory functions be put in the Department of Commerce. The Governor's Task Force's conclusion of putting the insurance regulatory section in the Department of Commerce but moving the claims, safety and allied type of regulations to the new Department of Industrial Relations was wholly consistent with the recommendations of Kafoury, Armstrong & Co. Senate Bill 548 is essentially consistent with these objectives and they believe that the result will be a more satisfactory delivery of industrial insurance within the state and they encourage the passage of this bill.

In response to questions from Mr. Jeffrey and Mr. Thompson concerning the makeup of the Board of Directors which will supervise the system, Mr. Nusbaum stated essentially the composition of the Board was patterned after the Advisory Board itself; three members from management, three members from labor, three members from the public sector. This language was amended in the Senate as to more specific representation among these three groups of members.

Mr. Nusbaum informed the committee as to the Task Force appointed by the Governor. These consisted of department heads within the state who would consider this issue and be affected by the reorganization of the NIC.

The Governor appointed:

Jim Wadhams, Commerce
Howard Barrett, Administration
Larry McCracken, Employment
Ed McGoldrick, Labor
Joe Nusbaum, NIC

This Task Force looked at three main possibilities. One; to move the commission and the regulatory functions, the safety function and mine inspection functions out as an independent separate agency. It was decided that was not a good option. The other two options considered were to place the functions in the Department of Commerce, or to combine them with the Labor Commissioner's office in a separate department which would eventually be called the Department of Industrial Relations.

The unanimous recommendation of the Task Force was that the best location would be to combine NIC's regulatory functions with the functions of the Labor Commissioner in a Department of Industrial Relations. This is typical of how other states organize these services as they are related functions dealing primarily with employer-employee relationships in business.

Further they recommended that the organizational structure with the Director of five divisions covering mines inspection, safety (current department of occupational safety and health) and NIC be transferred over. The Labor Commissioner's present duties would be included in a new division of employment standards, regulation of workers' compensation would be a new division and an administrative division which would handle the internal administrative functions of the department. They also recommended an advisory board (Board of Directors) similar in makeup to the old Board of Review; labor, management, and public but strictly advisory to the Director.

Those were the recommendations of the Task Force and those recommendations were incorporated into this bill. At this point the Advisory Board of Review had the recommendations of the consultant firm, the issue of where the regulatory functions should go and deferred to the five member department head Task Force. The Advisory Board, after four hearings on the organizational question made a series of recommendations. These were unanimous recommendations by the Advisory Board. They were not specific detailed recommendations but were the concepts under which the bill was put together.

Mr. John Flanigan, Vice Chairman of the Advisory Board of Review told the committee that the Board did not address itself specifically

to the bill but considered the reorganization itself. The bill came out of the bill drafter's office so late in the session that they were unable to consider the bill itself before it was already being heard in the Senate committee.

The Board did make four recommendations that he read to the committee:

1. The Advisory Board unanimously supports the external reorganization of the NIC by placing the insurance operation in a separate public corporation reporting to a nine member board appointed by the Governor.
2. The Advisory Board unanimously supports the concept of the Governor forming an Interagency Task Force to consider the location and organization of the Regulatory Functions that are recommended to be transferred from the NIC.
3. The Advisory Board unanimously recommends in principal the restructuring of the insurance function as outlined in the Kafoury, Armstrong & Co. report. It also urges that the restructuring proceed immediately to the extent that this can be accomplished without statutory changes.
4. The Advisory Board unanimously endorses the concept that the insurance functions of the state insurance fund should operate as a public corporation or at least a quasi-state agency with accounting, budget and personnel controls appropriate with the competitive market with which it must operate.

Mr. Jim Wadhams, Director for the Department of Commerce, explained to the committee that as a member of the Task Force and as the point of view of the Department of Commerce, the transfer of certain functions to the newly formed Department of Industrial Relations affords two beneficial results.

One is that part of the regulations of entities which include the state fund and the self insured employers would be handled by one agency which does this consistently for all providers of the benefits. Injured workmen should not be disadvantaged because their employer has selected one method of compensation over another.

There is part of the regulation that is left with the Insurance Commissioner that he feels is appropriate; the requirement that NIC, the self insured employers and any commercial carriers that would ultimately come in, to be responsible to the Insurance

Commissioner for purposes of satisfying the Commissioner that they have adequate financial status to pay the claims and that their rates are reasonable. That rate review includes calculation of the reserves, the rates they charge, classification systems, dividends, underwriting standards and a host of things that go with the expertise that the Insurance Commissioner's office currently has.

Thus the split would be that claims handling would go to the Department of Industrial Relations and rate regulation and financial condition would stay with the Insurance Commissioner. The result would be that regardless of who is providing the benefits, there would be one standard by which it would be judged. The Task Force supports SB-548.

Mr. Nusbaum passed out to the committee a brochure explaining the bill and the reorganization and how it would be structured. Attached hereto as EXHIBIT A. This brochure also contains an organizational chart which Mr. Nusbaum explained to the committee.

Mr. Nusbaum told the committee that out of the 114 page bill which is SB-548, the pertinent changes to the organizational structure and regarding the Board of Directors which would be created within the system, there are actually 13 pages that contain substantive changes in them. These pages are attached hereto as EXHIBIT B.

Mr. Jeffrey expressed dissatisfaction with the proposed makeup of the Board of Directors. He considered it to be unbalanced and questioned why there should be a board at all.

Mr. Nusbaum explained to the committee the purpose of an amendment to SB-548 which affects the classified and unclassified employees as concerned with this bill. This amendment is attached hereto as EXHIBIT C.

Mr. Nusbaum completed his testimony by stating that after some 70 years of operation of the NIC this bill would make significant changes on how Nevada organizes its workers' compensation programs and other labor law administration. He expressed his confidence in the process that produced this proposal which involved a year of analysis, review and modifications and has involved all of the interested parties. Representatives of labor, management, the public, the agencies involved; NIC, Labor Commissioner, the Insurance Commissioner, the Governor's Office, the Senate Committee on Commerce and Labor, and now this Assembly Labor and Management Committee have all had input in the bill. The NIC recommends this bill for consideration and is convinced that there is need for significant changes and reorganization.

After a brief recess the meeting resumed at 4:34 P.M.

Assembly Committee on _____

Date: May 21, 1981

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Mr. Jack Kenney, Southern Nevada Homebuilders, and a member of the Advisory Board of Review for the NIC, expressed his support of the concept of the bill and stated that the Board had unanimously agreed after all of the proposals and options had been discussed, that this reorganization was a logical approach to many of the problems that have occurred with the present system. He asked that the committee take the proper amount of time to consider this bill because the problems will not go away without this type of vehicle to change the structure of the present system.

Claude Evans, AFL-CIO, and a member of the Advisory Board of Review for the NIC, stated that the Board had agreed unanimously to the concept of the bill. However, he opposes the concept of the director being able to appoint department heads. He opposes the bill in its present form. He recommended that a study be made on this bill for the next two years and bring it back to the next Legislative Session.

Mr. Stan Jones, Northern Nevada Central Labor Council Business Representative, expressed to the committee that he was impressed by the job that Joe Nusbaum had accomplished for the NIC. He said that Mr. Nusbaum was the finest administrator that the NIC has ever had and that he personally has a tremendous amount of respect for him. However, since Mr. Nusbaum will not be around forever to perform his outstanding service with regard to the system and without him, he told the committee that SB-548 is a terribly complex piece of legislation. He said that he was afraid there were untold possibilities for the new highly politicized super-agency to adopt regulations. He pointed out this was inconsistent with the premise of previous testimony being that the NIC should get out of the regulatory business. If there is a problem as represented, then he stated, SB-548 was just moving a problem rather than addressing it.

Mr. Jones noted that in his appraisal of the bill it appears the entire Department of Industrial Relations with all of its divisions becomes more politicized rather than less.

He submitted that the issues raised in SB-548 cannot be addressed in the remaining days of this 61st Session. He brought to the attention of the committee a recent newspaper account that Legislators reach a burn out. The Legislators bear the scars of over 120 days of the 1981 Session and the observation was made that the Legislators are not quite to the point to where the great danger of making mistakes comes in but are close to it. He suggested that this bill be withdrawn from further consideration.

There being no further business the meeting was adjourned at 5:15 P.M.

Respectfully submitted,


Janice Fondi, Committee Secretary

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S. B. 548

REORGANIZATION OF
NEVADA'S WORKERS'
COMPENSATION SYSTEM

Based on Recommendations of:

Kafoury, Armstrong & Co.

Advisory Board of Review for NIC

Interagency Task Force

Nevada Industrial Commission

April 1981

QUESTIONS AND ANSWERS REGARDING THE REORGANIZATION OF
NEVADA'S WORKERS' COMPENSATION SYSTEM (SB 548)

Why is a Department of Industrial Relations desirable?

1. Most states have organized the functions of this proposed department under a single department, whether called Industrial Relations, Industry and Labor, Industrial Commission or Labor Department.
2. The functions are all related to conditions of employment in industry and business.
3. The functions are all regulatory.
4. An advisory board representing management, labor and the public will bring to bear these interests on the policies of the department.

Why is it important to have the Division of Industrial Insurance Regulation (in the Department of Industrial Relations) as the single regulator of workers' compensation laws?

1. Presently NIC is an insurer that for the most part regulates itself; this is not a good practice.
2. Presently self insureds are regulated by a separate agency, the Commissioner of Insurance; almost inevitably this will lead to different standards practiced by the two regulators with different results for the claimants and conflicts between the regulators.
3. Almost all states have a special regulatory organization solely for workers' compensation because of the specialized nature of this type of insurance and because of the high degree of statutory control of workers' compensation.
4. A single regulator can provide better supervision of "grandfathered" employers and "ex-medical" employers who have not been closely supervised.
5. A single regulator can more efficiently establish the expert staff needed to regulate.

What will the State Industrial Insurance System do?

1. It will operate as an insurance company under a board of directors and manager in providing these services:
 - a. For employers; compensation insurance, premium rates and consulting safety services.
 - b. For employees; compensation payments, medical benefits and rehabilitation services.
 - c. For an actuarially sound system for both employers and employees; creating reserves, investing funds and distributing dividends.
2. It will be subject to the regulation of the Department of Industrial Relations to assure it is complying with the law and regulations in providing insurance services to claimants and policyholders, and subject to the Insurance Commissioner in premium rate making.

How will the reorganization affect other agencies involved in Nevada's workers' compensation system?

1. The functions of the Appeals Division of the Department of Administration is not changed, it will continue to handle all administrative appeals by claimants.
2. The function of the State Industrial Attorney is not changed; that office will continue to provide legal services for claimants who qualify.
3. The Insurance Commissioner will continue to certify and decertify self insured employers and review and hear appeals on the NIC (State Industrial Insurance System) premium rates. However, the regulation of self-insured employers is shifted to the Department of Industrial Relations.

Does the reorganization bill (SB 548) change any rights or obligations of employees or employers?

1. The bill intends to make only those changes that are reasonably necessary to accomplish the reorganization and to carry out the organizational policies that underlie the proposal.
2. Other changes in benefits and obligations recommended by the Advisory Board of Review and the NIC are not incorporated in this bill.

What are the sources of funding the reorganized departments?

1. The State Industrial Insurance System will be funded from premium income in the State Insurance Fund as the insurance functions of NIC are now funded.
2. The Division of Occupational Health and Safety and the Division of Mine Inspection of the Department of Industrial Relations will be partially funded from federal grants as they now are funded.
3. The director's office and the Division of Employment Standards of the Department of Industrial Relations will be funded from the General Fund as these functions are now funded.
4. The balance of the cost of the Department of Industrial Relations including the Administrative Services Division and the Division of Industrial Insurance Regulation will be assessed against insurers (mainly the State Insurance Fund) as these functions are now funded.
5. The costs of the Hearings Division of the Department of Administration and the workers' compensation functions of the Commissioner of Insurance will be assessed against insurers (mainly the State Insurance Fund) as these functions are now funded.
6. All assessments against insurers will be administered in a Fund for Workers' Compensation in the State Treasury.

Will this reorganization require additional funding?

Since all of these functions are now being carried out, the total funding should be limited to the amounts budgeted for the existing agencies.

How will budgets be established for the reorganized agencies?

During the one-year period between enactment and the effective date of the reorganization the affected agencies will work with the Department of Administration in re-ordering their budgets for 1982-83 and will submit the revised budgets to the Interim Finance Committee for approval.

SB 548

REORGANIZATION

During the 1979-1981 period, the Advisory Board of Review and the Nevada Industrial Commission agreed on 10 studies covering major areas of the law and administration of workers' compensation. A consulting management firm, Kafoury, Armstrong & Co., was contracted with to undertake the studies related to organization.

The report of the consultant recommended an internal restructuring of NIC along the lines of an insurance company with its headquarters in Carson City and two full service offices for claimants and policyholders in Las Vegas and Carson City.

Due to the need to restore state regulation of workers' compensation to one agency, the report also recommended the splitting of NIC's insurance function and regulatory functions with workers' compensation regulation restored to one agency. Since the placement of the regulatory functions affected other agencies, the Governor appointed an interagency task force of department heads (Administration, Commerce, Employment Security, Labor and NIC) to recommend the appropriate placement of the NIC regulatory functions. The task force unanimously recommended that the regulatory functions of NIC and the functions of the Labor Commissioner be combined in a new Department of Industrial Relations similar to the organizational pattern in many states.

The result of these studies is SB 548 which:

1. Creates a successor to NIC's insurance operation called the State Industrial Insurance System, which is a public corporation run by a board of directors and a general manager providing:
 - (a) Workers' compensation insurance, and related
 - (b) Consulting safety services, and
 - (c) Rehabilitation services.
2. Provides that the regulatory functions of NIC be combined with the functions of the Labor Commissioner into a new Department of Industrial Relations responsible for:
 - (a) Workers' compensation compliance regulations of the State Industrial Insurance System and self-insured employers.
 - (b) Occupational Safety and Health.
 - (c) Mine Inspection.
 - (d) Employment standards.
3. Retains certification of self-insurers and rate review by the Commissioner of Insurance.
4. Has a July 1, 1982 effective date.

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

S. B. 548

SENATE BILL NO. 548—COMMITTEE ON
COMMERCE AND LABOR

APRIL 16, 1981

Referred to Committee on Commerce and Labor

SUMMARY—Reorganizes system of labor and industrial insurance.
(BDR 53-1716)FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to industrial relations; reorganizing the system of industrial insurance; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

1 SECTION 1. NRS 607.005 is hereby amended to read as follows:
2 607.005 As used in this chapter, ["commission"] *unless the context*
3 *otherwise requires:*

4 1. "Administrator" means the administrator of the division of
5 *employment standards of the department of industrial relations.*

6 2. "Commission" means a fee paid for transacting a piece of business
7 or performing a service, but excluding bonuses and profit-sharing arrange-
8 ments.

9 SEC. 2. NRS 607.040 is hereby amended to read as follows:

10 607.040 1. The [labor commissioner shall] *administrator must be*
11 *provided with properly furnished offices at the capital in Carson City,*
12 *Nevada.*

13 2. The offices of the [labor commissioner shall] *administrator must*
14 *be open for business during the hours and days as provided in NRS*
15 *281.110.*

16 SEC. 3. NRS 607.050 is hereby amended to read as follows:

17 607.050 1. The [labor commissioner is authorized and directed to]
18 *administrator shall employ a deputy, who [shall] must be in the unclassi-*
19 *fied service of the state and receive an annual salary in an amount deter-*
20 *mined pursuant to the provisions of NRS 284.182.*

21 2. When travel is necessary in the performance of his official duties,
22 the deputy [shall be] *is entitled to receive from the state, in addition to*

1 so found within 20 days after service is so made, apply to the appropri-
2 ate district court for an injunction against such continued unlawful
3 practice.

4 2. In hearing and deciding on the application for an injunction, the
5 court may consider only evidence introduced at a hearing before the
6 [labor commissioner] administrator for the purpose of determining
7 whether the [labor commissioner's] administrator's findings were arbi-
8 trary, capricious or without foundation.

9 3. After the [labor commissioner] administrator has held a public
10 hearing and rendered a decision, the complainant is barred from pro-
11 ceeding on the same legal theory before any other administrative officer
12 or body. A complainant shall not file a complaint with the [labor com-
13 missioner] administrator if any other administrative officer or body has
14 made a decision upon a complaint based upon the same facts and legal
15 theory.

16 SEC. 69. NRS 613.430 is hereby amended to read as follows:

17 613.430 No action authorized by NRS 613.420 may be brought after
18 the expiration of 180 days from the date of the act complained of. When
19 a complaint is filed with the Nevada equal rights commission pursuant to
20 NRS 613.405, or with the [labor commissioner] administrator pursuant
21 to NRS 613.415, the limitation provided by this section is tolled as to
22 any action authorized by NRS 613.420 during the pendency of [such]
23 the complaint before the commission or the [labor commissioner.]
24 administrator.

25 SEC. 70. NRS 614.120 is hereby amended to read as follows:

26 614.120 1. It is unlawful for any person, firm or association to issue,
27 cause to be issued, circulate or cause to be circulated any printed or
28 written matter notifying or advising the public or any organization by
29 mail, or hand to hand, that a strike exists or is called in any place within
30 [the State of Nevada,] this state, unless the circular, letter or notice so
31 issued [shall contain] contains the signatures of at least three persons
32 who at the time of signing the circular were residents and citizens of the
33 state for [a period of] 6 months.

34 2. A copy of the [same shall] circular, letter or notice must be fur-
35 nished the [labor commissioner.] administrator of the division of
36 employment standards of the department of industrial relations.

37 SEC. 71. Chapter 616 of NRS is hereby amended by adding thereto
38 the provisions set forth as sections 72 to 99.5, inclusive, of this act.

39 SEC. 72. "Administrator" means the administrator of the division of
40 industrial insurance regulation of the department of industrial relations.

41 SEC. 73. "Board" means the board of directors of the state industrial
42 insurance system.

43 SEC. 74. "Department" means the department of industrial relations.

44 SEC. 75. "Director" means the director of the department of indus-
45 trial relations.

46 SEC. 76. "Insurer" includes the state industrial insurance system, self-
47 insured employers and those employers covered under the provisions of
48 NRS 616.255 and 616.256.

49 SEC. 77. "Manager" means the manager of the state industrial insur-
50 ance system.

1 SEC. 78. "System" means the state industrial insurance system.

2 SEC. 79. 1. The state industrial insurance system is hereby estab-
3 lished as an independent actuarially funded system for the purpose of
4 insuring employers against liability for injuries and occupational diseases
5 for which their employees may be entitled to benefits under this chapter
6 or chapter 617 of NRS, and the federal Longshoremen's and Harbor
7 Workers' Compensation Act.

8 2. The system is a public agency which administers and is supported
9 by the state insurance fund. The executive and legislative departments of
10 the state government shall regularly review the system.

11 3. The system is entitled to use any services provided to state agen-
12 cies, and must use the services of the purchasing division of the depart-
13 ment of general services. The system is not required to use any other
14 service.

15 4. The official correspondence and records, other than the files of
16 individual claimants and policyholders, and the minutes and books of the
17 system are public records and must be available for public inspection.

18 SEC. 80. 1. The system must be supervised by a board of directors
19 which consists of nine members appointed by the governor.

20 2. Three members of the board must represent labor, at least two of
21 whom represent organized labor, three members must represent policy-
22 holders of the system, at least two of whom represent major policyholders,
23 and three members must represent the public and be knowledgeable in
24 insurance, investments, or organization and management.

25 3. Initial appointments for each representative group must be for
26 terms of 2, 3 and 4 years, and all subsequent appointments for terms of
27 4 years.

28 4. If a member of the board fails to complete his term of office, the
29 governor shall appoint a person to succeed him as a member of the board
30 for the unexpired portion of the term. The successor member must be
31 appointed in the same manner and possess the same general qualifications
32 as his predecessor in office.

33 SEC. 81. 1. When absent from home attending to their duties, the
34 members of the board are entitled to receive their actual and necessary
35 traveling expenses and other expenses within the limit fixed for state offi-
36 cers and employees.

37 2. Members of the board are entitled to receive a fee of \$80 per day
38 for attendance at meetings.

39 3. Fees and reimbursement for expenses must be paid from the state
40 industrial insurance fund.

41 SEC. 82. 1. The board shall annually elect a chairman and vice chair-
42 man.

43 2. The board may adopt bylaws as it deems proper for the conduct
44 of its business.

45 3. The board shall meet at least eight times annually. Board meet-
46 ings may be called at any time by the chairman of the board, the man-
47 ager of the system or a majority of the board.

48 SEC. 83. The board shall:

49 1. Appoint the manager, who shall serve at the pleasure of the
50 board, and approve the appointment of assistant managers.

1 2. Approve annual and biennial budgets of the system.
2 3. Approve investment policies of the system.
3 4. Approve the appointment of investment counselors and custodi-
4 ans of investments.
5 5. Approve the designation of banks as collection depositories.
6 6. Approve the appointment of an independent actuary and arrange
7 for an annual actuarial valuation and report of the soundness of the
8 system as prepared by the independent actuary.
9 7. Appoint an independent certified accountant who shall provide
10 an annual audit of the system and report to the board.
11 8. Before each legislative session, report to the governor and the
12 legislature on the operation of the system and any recommendation for
13 legislation which the board deems appropriate.
14 9. On its own initiative or at the request of the manager, review any
15 matter related to the operation of the system and make such advisory
16 recommendations to the manager as the board deems appropriate.
17 SEC. 84. There is no liability in a private capacity on the part of the
18 board or any member thereof.
19 SEC. 85. 1. The board shall appoint a manager to be in charge of
20 the operation of the system.
21 2. The manager is the chief executive officer of the system and is
22 responsible for all duties of the system except for those duties specified
23 by statute for the board.
24 3. The manager shall serve at the pleasure of the board.
25 4. The manager must:
26 (a) Be a graduate of a 4-year college or university with a degree in
27 business administration or public administration or equivalent degree;
28 and
29 (b) Possess at least 5 years' experience in a high level administrative
30 or executive capacity, with responsibility for a variety of administrative
31 functions such as retirement, insurance, investment or fiscal operations.
32 5. Before undertaking the duties of the office, the manager shall qual-
33 ify by giving an official bond in an amount and with sureties approved by
34 the board. The manager shall file the bond with the secretary of state. The
35 premium for the bond must be paid by the system.
36 SEC. 86. 1. The manager shall select assistant managers whose
37 appointments are effective upon confirmation by the board.
38 2. The assistant managers shall serve at the pleasure of the manager.
39 3. The assistant managers must be graduates of a 4-year college or
40 university with a degree in business administration or public administra-
41 tion or an equivalent degree.
42 SEC. 87. The manager and assistant managers are entitled to receive
43 annual salaries fixed by the board.
44 SEC. 88. The manager and assistant managers shall not pursue any
45 other business or occupation or perform the duties of any other office of
46 profit unless on leave approved in advance. The manager and assistant
47 managers shall not participate in any business enterprise or investment in
48 real or personal property if the system owns or has a direct financial inter-
49 est in that enterprise or property.

1 SEC. 89. Subject to the limitations of this chapter and the budget pre-
2 scribed by the board, the system must be administered by the manager,
3 assistant managers, and a staff appointed by the manager.
4 SEC. 90. The manager:
5 1. Subject to the authority of the board, has full power, authority
6 and jurisdiction over the system.
7 2. May perform all acts necessary or convenient in the exercise of any
8 power, authority or jurisdiction over the system, either in the administra-
9 tion of the system or in connection with the insurance business to be car-
10 ried on by the system under the provisions of this chapter, including the
11 establishment of premium rates.
12 SEC. 91. The system may:
13 1. Use its assets to pay medical expenses, rehabilitation expenses,
14 compensation due claimants of insured employers, and to pay salaries,
15 administrative and other expenses.
16 2. Rent, lease, buy or sell property in its own name, and construct
17 and repair buildings as necessary to provide facilities for its operations.
18 3. Sue and be sued in its own name.
19 4. Enter into contracts relating to the administration of the system.
20 5. Contract with physicians, surgeons, hospitals, and rehabilitation
21 facilities for medical, surgical, and rehabilitative evaluation, treatment,
22 care and nursing of injured persons entitled to benefits from the system.
23 6. Contract for the services of experts and other specialists as
24 required by the system.
25 7. Provide for safety inspections and furnish advisory services to
26 policyholders on measures to promote safety and health.
27 8. Act in collecting and disbursing money necessary to administer
28 and conduct the business of the system.
29 9. Adopt regulations relating to the conduct of the business of the
30 system.
31 10. Hire personnel to accomplish its purposes and operations.
32 11. Fix the salaries of all persons employed in the classified service
33 for purposes of administering the system in accordance with the pay plan
34 of the state adopted pursuant to the provisions of chapter 284 of NRS.
35 No classified employee on the staff of the system may be removed in a
36 manner contrary to the provisions of chapter 284 of NRS.
37 12. Perform all the functions which are necessary or appropriate to
38 carry out the administration of this chapter and chapter 617 of NRS.
39 SEC. 92. The system may:
40 1. Insure an employer against liability for workers' compensation
41 and other liability that the employer may have because of bodily injury
42 or occupational disease to his employee arising out of and in the course
43 of employment, to the same degree as any other insurer;
44 2. Insure employers against their liability for compensation or dam-
45 ages under the Longshoremen's and Harbor Workers' Act or any exten-
46 sion of that Act, to the same degree as any other insurer;
47 3. Furnish advice, services and excess insurance for workers' com-
48 pensation; and
49 4. Reinsure any risk or any part thereof.

1 SEC. 93. The money and assets held in trust by the system include:

2 1. All premiums and other money paid to the system;

3 2. All property and securities acquired through the use of money

4 in the state insurance fund; and

5 3. All interest and dividends earned upon money in the state insur-

6 ance fund and deposited or invested as provided in this chapter.

7 SEC. 94. 1. Except as otherwise provided in this section, the depart-

8 ment of industrial relations shall regulate insurers under this chapter and

9 chapter 617 of NRS and investigate insurers regarding compliance with

10 statutes and the department's regulations.

11 2. The commissioner of insurance is responsible for reviewing rates,

12 investigating the solvency of insurers and certifying self-insured employ-

13 ers pursuant to NRS 616.291 to 616.298, inclusive, 616.337 and 616-

14 338.

15 3. The department of administration is responsible for administrative

16 appeals relating to workers' compensation pursuant to NRS 616.541 to

17 616.544, inclusive.

18 4. The state industrial attorney is responsible for legal representation

19 of claimants pursuant to NRS 616.253 to 616.2539 inclusive.

20 SEC. 95. 1. The administrator may impose an administrative fine,

21 not to exceed \$500 for each violation, if the insurer or employer inten-

22 tionally or repeatedly:

23 (a) Induces a claimant for compensation to fail to report an accidental

24 injury or occupational disease.

25 (b) Persuades a claimant to settle for an amount which is less than rea-

26 sonable.

27 (c) Persuades a claimant to settle for an amount which is less than rea-

28 sonable while a hearing or an appeal is pending.

29 (d) Persuades a claimant to accept less than the compensation found

30 to be due him.

31 (e) Refuses to pay or delays payment to a claimant of compensation

32 found to be due him.

33 (f) Makes it necessary for a claimant to resort to proceedings against

34 the employer or insurer for compensation found to be due him.

35 (g) Fails to comply with department regulations for the acceptance and

36 rejection of claims, determination and calculation of a claimant's average

37 monthly wage, determination and payment of compensation, delivery of

38 accident benefits and reporting relating to these matters.

39 (h) Fails to comply with the department's regulations covering the pay-

40 ment of an assessment relating to the funding of costs of administration of

41 this chapter and chapter 617 of NRS.

42 2. If the employer requests a hearing concerning the fine imposed

43 pursuant to subsection 1, the administrator shall set a date for a hearing

44 within 20 days after receiving the appeal request, and shall give the

45 employer at least 10 business days' notice of the time and place of the

46 hearing.

47 3. A record of the hearing must be kept but it need not be transcribed

48 unless it is requested by the employer and he pays the cost of transcrip-

49 tion.

50 4. Within 5 business days after the hearing, the administrator shall

1 either affirm or disaffirm the fine and give the employer written notice

2 thereof by certified mail.

3 5. Two or more fines of \$500 levied by the administrator in 1 year

4 for violations enumerated in subsection 1 must be considered by the com-

5 missioner as evidence for the possible revocation of a certificate of self-

6 insurance.

7 6. The commissioner may withdraw the certification of a self-insured

8 employer if, after a hearing, it is shown that the self-insured employer

9 committed any of the violations enumerated in subsection 1.

10 SEC. 96. Any insurer who is aggrieved by a decision of the adminis-

11 trator may appeal that decision directly to the appeals officer.

12 SEC. 97. 1. All fees and charges for accident benefits are subject to

13 regulation by the department and must not exceed such fees and charges

14 as prevail in the same community for similar treatment of injured persons

15 of like standard of living.

16 2. The department may adopt reasonable regulations necessary to

17 carry out the provisions of this section.

18 SEC. 98. 1. There is hereby established in the state treasury the fund

19 for workers' compensation and safety. All money received from assess-

20 ments levied on insurers by the director pursuant to section 290 of this

21 act must be deposited in this fund.

22 2. All assessments, penalties, bonds, securities and all other prop-

23 erties received, collected or acquired by the department for functions

24 supported in whole or in part from the fund must be delivered to the

25 custody of the state treasurer for deposit to the credit of the fund.

26 3. All money and securities in the fund must be held in trust by the

27 state treasurer as custodian thereof to be used solely for workers' com-

28 pensation and the administration of regulations for safety of employees.

29 4. The state treasurer may disburse money from the fund only upon

30 written order of the controller.

31 5. The state treasurer shall invest money of the fund in the same

32 manner and in the same securities in which he is authorized to invest

33 state general funds which are in his custody. Income realized from the

34 investment of the assets of the fund must be credited to the fund.

35 6. The commissioner of insurance shall assign an actuary to review

36 the establishment of assessment rates. The rates must be filed with the

37 commissioner of insurance 30 days before their effective date. Any insurer

38 who wishes to appeal the rate so filed must do so pursuant to NRS

39 679B.310.

40 SEC. 99. 1. There is hereby established in the state treasury the

41 subsequent injury fund which may be used only for the purpose of mak-

42 ing payments in accordance with the provisions of NRS 616.427. The

43 administrator of the division of industrial insurance regulation shall

44 administer the fund.

45 2. All assessments, penalties, bonds, securities and all other prop-

46 erties received, collected or acquired by the administrator for the subse-

47 quent injury fund must be delivered to the custody of the state treasurer.

48 3. All money and securities in the fund must be held in trust by the

49 state treasurer as custodian thereof to be used solely for workers' com-

50 pensation.

1 4. The state treasurer may disburse money from the fund only upon
2 written order of the state controller.

3 5. The state treasurer shall invest money of the fund in the same
4 manner and in the same securities in which he is authorized to invest state
5 general funds which are in his custody. Income realized from the invest-
6 ment of the assets of the fund must be credited to the fund.

7 6. The director must adopt regulations for the establishment and
8 administration of assessment rates, payments and penalties. Assessment
9 rates must reflect the relative hazard of the employments covered by the
10 insurers, and must be based upon expected annual expenditures for
11 claims.

12 7. The commissioner of insurance shall assign an actuary to review
13 the establishment of assessment rates. The rates must be filed with the
14 commissioner of insurance 30 days before their effective date. Any
15 insurer who wishes to appeal the rate so filed must do so pursuant to
16 NRS 679B.310.

17 SEC. 99.5. 1. There is hereby established in the state treasury the
18 uninsured employers' claim fund which may be used only for the purpose
19 of making payments in accordance with the provisions of NRS 616.377.
20 The administrator shall administer the fund and shall credit any excess
21 funds toward the assessments of the insurers for the succeeding years.

22 2. All assessments, penalties, bonds, securities and all other proper-
23 ties received, collected or acquired by the administrator for the unin-
24 sured employers' claim fund must be delivered to the custody of the state
25 treasurer.

26 3. All money and securities in the fund must be held in trust by the
27 state treasurer as custodian thereof to be used solely for workers' com-
28 pensation.

29 4. The state treasurer may disburse money from the fund only upon
30 written order of the state controller.

31 5. The state treasurer shall invest money of the fund in the same
32 manner and in the same securities in which he is authorized to invest
33 money of the state general fund. Income realized from the investment of
34 the assets of the fund must be credited to the fund.

35 6. The director must adopt regulations for the establishment and
36 administration of assessment rates, payments and penalties, based upon
37 expected annual expenditures for claims. Assessment rates must reflect
38 the relative hazard of the employments covered by the insurers, and must
39 be based upon expected annual expenditures for claims.

40 7. The commissioner shall assign an actuary to review the establish-
41 ment of assessment rates. The rates must be filed with the commissioner
42 30 days before their effective date. Any insurer who wishes to appeal the
43 rate so filed must do so pursuant to NRS 679B.310.

44 SEC. 100. NRS 616.040 is hereby amended to read as follows:

45 616.040 "Commissioner" means [a member of the commission.]
46 the commissioner of insurance.

47 SEC. 101. NRS 616.067 is hereby amended to read as follows:

48 616.067 Persons who perform volunteer work in any formal pro-
49 gram which is being conducted:

618.720 1. It [shall be] is unlawful for any person, firm, association or corporation, employing in the same building or on the same premises five or more males and three or more females, to fail to provide separate lavatories or toilet rooms for each sex and to fail to designate the [same] lavatories or toilet rooms plainly by a printed or painted sign on the door of the lavatory or toilet room so provided.

2. Any person, firm, association or corporation violating the provisions of this section [shall be] is guilty of a misdemeanor.

3. In conjunction with peace officers, the [labor commissioner] administrator of the division of employment standards shall investigate and report to the proper officer any violation of this section.

4. This section [shall] does not apply to:

(a) Persons, firms, associations or corporations located in office buildings where there are lavatories or toilet rooms for each sex reasonably accessible within the building.

(b) Persons employing servants or other domestics in their homes or residences.

SEC. 273. NRS 218.2725 is hereby amended to read as follows:

218.2725 1. Before any bill or joint resolution which affects the premiums charged to employers as provided in chapters 616 or 617 of NRS or the state insurance fund established by chapter 616 of NRS is considered at a public hearing of a committee of the assembly or the senate or before a vote is taken thereon by the committee, the fiscal analysis division shall obtain a fiscal note in the manner and form, to the extent applicable, provided for in NRS 218.272 to 218.2758, inclusive, showing the financial effect on the premiums charged employers by the [Nevada industrial commission] state industrial insurance system or on the state insurance fund.

2. The [Nevada industrial commission] state industrial insurance system shall provide such information upon request of the fiscal analysis division.

3. The department of administration is not required to review such a fiscal note, but upon request of any legislator, the fiscal analysis division shall review the note and submit its findings to the requester.

SEC. 274. NRS 218.610 is hereby amended to read as follows:

218.610 As used in NRS 218.610 to 218.890, inclusive, "state departments" means all state offices, departments, boards, commissions, institutions, or agencies, and the [Nevada industrial commission.] state industrial insurance system.

SEC. 275. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 276 to 291, inclusive, of this act.

SEC. 276. As used in sections 277 to 291, inclusive, of this act, unless the context otherwise requires:

1. "Department" means the department of industrial relations.

2. "Director" means the director of the department of industrial relations.

3. "Insurer" includes the state industrial insurance system, self-insured employers, and those employers covered under the provisions of NRS 616.255 and 616.256.

SEC. 277. 1. The department of industrial relations is hereby created.

2. The department consists of a director and the following divisions:

(a) The division of administrative services.

(b) The division of occupational safety and health.

(c) The division of mine inspection.

(d) The division of industrial insurance regulation.

(e) The division of employment standards.

SEC. 278. 1. There is hereby created in the department an advisory council composed of nine members appointed by the governor.

2. The advisory council must be composed of three representatives of labor, at least two of whom must represent organized labor, three representatives of management, at least two of whom must represent major employers, and three members of the public who are knowledgeable in the field of industrial relations.

3. Initial appointments for each representative group must be made as follows:

(a) One member of each representative group must be appointed for a term of 1 year;

(b) The second member of each representative group must be appointed for a term of 2 years; and

(c) The third member of each representative group must be appointed for a term of 3 years.

All subsequent appointments must be for terms of 3 years.

4. If a member of the council fails to complete his term of office, the governor shall appoint a person to succeed him as a member of the council for the unexpired portion of the term. The successor member must be appointed in the same manner and possess the same general qualifications as his predecessor in office.

SEC. 279. 1. The council shall meet at least twice annually at times and places specified by a call of the chairman, the director or a majority of the council. Special meetings, not to exceed six per year, may be held at the call of the chairman, the director or a majority of the council.

2. The council shall select from its members a chairman and vice chairman who shall hold office for 1 year. The director shall act as secretary of the council.

3. The council may prescribe such bylaws as it deems necessary for its operation.

4. Five members of the council constitute a quorum, and a quorum may exercise all the power and authority conferred on the council.

SEC. 280. The council shall act in an advisory capacity to the director and may, on its own initiative or at the request of the director, conduct studies or investigations concerning the organization and administration of the department and its divisions and make recommendations to the director based on the results of such studies or investigations.

SEC. 281. Each member of the council is entitled to receive a salary of \$60 for each day's attendance at a meeting of the council and the per diem allowance and travel expenses as provided for state officers and employees.

SEC. 282. The director must:

1. Be appointed by, be responsible to and serve at the pleasure of the governor.

1 2. Be in the unclassified service of the state pursuant to the provi-
 2 sions of chapter 284 of NRS.
 3 3. Receive an annual salary in an amount determined pursuant to the
 4 provisions of NRS 284.182.
 5 4. Receive the travel expenses and subsistence allowances fixed by
 6 law for state officers and employees.
 7 5. Not engage in any other gainful employment or occupation.
 8 6. Have responsible administration experience in public or business
 9 administration or possess broad management skills in areas related to the
 10 functions of the department.
 11 7. Have the demonstrated ability to administer a major public agency
 12 in the field of industrial relations which has diverse functional divisions
 13 with related goals. His knowledge and abilities must include:
 14 (a) A comprehensive knowledge of administrative principles and a
 15 working knowledge of broad principles relating to the subject matters
 16 under his administrative direction;
 17 (b) An administrative ability to assess the adequacy of agency opera-
 18 tions and the protection of the public interest as related to the subject
 19 fields; and
 20 (c) An ability to organize and present oral and written communica-
 21 tion to the governor, the legislature, and other pertinent officials or per-
 22 sons.
 23 8. Possess a background which indicates that he can impartially serve
 24 the interests of both employees and employers.

25 SEC. 283. The director:
 26 1. Shall appoint administrators of the divisions of the department
 27 who are respectively designated as follows:
 28 (a) The administrator of the division of administrative services.
 29 (b) The administrator of the division of occupational safety and
 30 health.
 31 (c) The administrator of the division of mine inspection.
 32 (d) The administrator of the division of industrial insurance regula-
 33 tion.
 34 (e) The administrator of the division of employment standards.
 35 2. Is responsible for the administration, through the divisions of the
 36 department, of the provisions of chapters 512, 608 to 611, inclusive,
 37 and 616 to 618, inclusive, of NRS, and all other provisions of law relat-
 38 ing to the functions of the divisions of the department.
 39 3. Has such other powers and duties as are provided by law.

40 SEC. 284. The director shall:
 41 1. Establish departmental goals, objectives and priorities.
 42 2. Approve divisional goals, objectives and priorities.
 43 3. Approve divisional and departmental budgets, legislative pro-
 44 posals, contracts, agreements and applications for federal assistance.
 45 4. Coordinate divisional programs within the department and depart-
 46 mental and divisional programs with other departments and other levels
 47 of government.
 48 5. Delegate to the administrators of the divisions such authorities and
 49 responsibilities not otherwise delegated by law as he deems necessary for
 50 the efficient conduct of the business of the department.

1 6. From time to time adopt such regulations as he deems necessary
 2 for the administration of the department and its divisions.
 3 SEC. 285. The director may enter into cooperative agreements with
 4 any federal or state agency or political subdivision of the state, or any
 5 public or private institution located in or outside this state, or any person,
 6 corporation or association, in connection with studies and investigations
 7 pertaining to any activities of the department.
 8 SEC. 286. The director may employ, within the limits of legislative
 9 appropriations and pursuant to the provisions of NRS chapter 284, such
 10 staff as is necessary for the performance of his duties.
 11 SEC. 287. 1. The director may appoint an assistant director of the
 12 department and assign his duties.
 13 2. The assistant director is in the unclassified service of the state and
 14 is entitled to receive:
 15 (a) An annual salary in the amount determined pursuant to the provi-
 16 sions of NRS 284.182; and
 17 (b) Travel expenses and subsistence allowances as provided for state
 18 officers and employees.
 19 3. The assistant director shall devote his entire time and attention to
 20 the business of his office and shall not engage in any other gainful employ-
 21 ment or occupation.

22 SEC. 288. The administrator of each of the divisions of the depart-
 23 ment:
 24 1. Must be in the unclassified service of the state pursuant to the pro-
 25 visions of NRS chapter 284.
 26 2. Is entitled to receive an annual salary in an amount determined
 27 pursuant to the provisions of NRS 284.182.
 28 3. Is entitled to receive travel expenses and subsistence allowances as
 29 provided for state officers and employees when traveling in the discharge
 30 of his official duties.
 31 4. Shall administer the provisions of law relating to his division, sub-
 32 ject to the administrative supervision of the director.
 33 5. Shall devote his entire time and attention to the business of his
 34 office and shall not pursue any other business or occupation or hold any
 35 other office of profit, except for temporary and part-time teaching duties
 36 on a university campus.

37 SEC. 289. 1. The director may provide for contract services to be
 38 rendered by such legal counsel as is needed for assistance in administering
 39 the laws relating to labor and industrial relations. Legal counsel must be
 40 an attorney admitted to practice law in Nevada.
 41 2. In the prosecution of all claims and actions referred to him by the
 42 director, legal counsel has the same power as that vested in the district
 43 attorney of the several counties to enforce the laws relating to labor and
 44 industrial relations, except that legal counsel does not have the authority
 45 to prosecute for criminal violations of such laws.

46 SEC. 290. 1. The cost of carrying out the provisions of sections 276
 47 to 291, inclusive, of this act, and of supporting the department and its
 48 various divisions must be paid by direct legislative appropriation from the
 49 state general fund and by assessments payable by each insurer based upon
 50 expected annual expenditures for claims. The department must adopt

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1 regulations which establish formulas of assessment which result in an
2 equitable distribution of costs among the insurers.

3 2. The appropriation from the state general fund must defray the
4 costs of:

5 (a) The office and staff of the director; and

6 (b) The division of employment standards.

7 3. Federal grants may partially defray the costs of:

8 (a) The division of occupational safety and health;

9 (b) The division of mine inspection; and

10 (c) Any other division as may be appropriate.

11 4. Assessments made against insurers by the department after the
12 adoption of regulations must be used to defray all costs and expenses
13 of administering the workers' compensation program, including the pay-
14 ment of:

15 (a) All salaries and other expenses in administering the division of
16 industrial insurance regulation, the division of administrative services,
17 the division of occupational safety and health and the division of mine
18 inspection.

19 (b) All salaries and other expenses of administering NRS 616.253 to
20 616.2539, inclusive, the offices of the hearings division of the department
21 of administration and the programs of self-insurance and review of
22 premium rates by the commissioner of insurance.

23 (c) Claims against uninsured employers arising from compliance with
24 NRS 616.377.

25 SEC. 291. The insurers, the division of insurance, the department of
26 commerce and any other state agency or division having functions deal-
27 ing with chapters 512, 608 to 611, inclusive, or 616 to 618, inclusive,
28 of NRS shall cooperate with the director in the performance of his
29 duties and shall provide the director with any information, statistics, or
30 data in their records as he requires.

31 SEC. 292. NRS 242.030 is hereby amended to read as follows:

32 242.030 1. The provisions of NRS 242.010 to 242.060, inclusive,
33 do not apply to the department of transportation, the department of
34 motor vehicles, the state controller, the University of Nevada System, the
35 legislative counsel bureau, the [Nevada industrial commission] state
36 industrial insurance system and the employment security department, but
37 subject to the provisions of NRS 242.010 to 242.060, inclusive, those
38 departments, officers and agencies may utilize the services of the division.

39 2. The division shall provide state agencies with all of their required
40 systems, programming and automatic data processing equipment services.

41 3. If the demand for services is in excess of the capability of the divi-
42 sion to provide services, the division may contract with other agencies or
43 independent contractors to furnish the required services and is responsible
44 for the administration of the contracts.

45 SEC. 293. NRS 242.170 is hereby amended to read as follows:

46 242.170 "Using agencies" means the department of transportation,
47 the department of motor vehicles, the state controller and the central data
48 processing division of the department of general services. Except as set
49 forth in NRS 242.230, using agencies must have all of their data process-
50 ing equipment services furnished by the commission. The employment

1 *employment standards of the department of industrial relations, peace*
 2 *officers, and authorized personnel of the commission and the department*
 3 *shall enforce the provisions of this section.*

4 4. Any violation of this section is a misdemeanor.

5 SEC. 341. NRS 232.218, 512.010, 512.030 to 512.080, inclusive,
 6 512.100, 607.010 to 607.030, inclusive, 616.035, 616.125 to 616.170,
 7 inclusive, 616.181, 616.185, 616.200, 616.210, 616.426, 616.438, 617-
 8 040, 618.045, and 618.245 are hereby repealed.

9 SEC. 342. On July 1, 1982, the state treasurer shall transfer the
 10 money in the administrative fund for workmen's compensation created
 11 pursuant to NRS 616.438 to the fund for workers' compensation and
 12 safety created pursuant to section 98 of this act. Any money transferred
 13 in excess of the cost of administering the program for workers' compensa-
 14 tion must be credited against the assessments of the insurers for the suc-
 15 ceeding year.

16 SEC. 343. On July 1, 1982, the state treasurer shall transfer \$1,000,
 17 000 from the state insurance fund to the fund for workers' compensation
 18 and safety created pursuant to section 98 of this act. Any money trans-
 19 ferred in excess of the cost of administering the program for workers'
 20 compensation must be credited against the assessments of the insurers for
 21 the succeeding year.

22 SEC. 344. On July 1, 1982, the state treasurer shall transfer the
 23 money in the subsequent injury fund established pursuant to NRS 616-
 24 427 to the subsequent injury fund created pursuant to section 99 of
 this act.

25 SEC. 345. On July 1, 1982, the state treasurer shall transfer \$100,000
 26 from the state insurance fund to the subsequent injury fund created pur-
 27 suant to section 99 of the act. Any money transferred in excess of the cost
 28 of administering the program for workers' compensation must be credited
 29 against the assessments of the insurers for the succeeding year.

30 SEC. 346. The regulations of the Nevada industrial commission and
 31 the commissioner of insurance relating to the program for workers' com-
 32 pensation in effect on June 30, 1982, become the regulations of the
 33 department of industrial relations until such time as the department
 34 adopts new regulations.
 35

36 SEC. 347. 1. The initial appointments to the board of directors of
 37 the state industrial insurance system must be for terms as follows:

38 (a) Three members whose terms expire on June 30, 1984.

39 (b) Three members whose terms expire on June 30, 1985.

40 (c) Three members whose terms expire on June 30, 1986.

41 2. The initial appointments to the advisory council of the department
 42 of industrial relations must be for terms as follows:

43 (a) Three members whose terms expire on June 30, 1983.

44 (b) Three members whose terms expire on June 30, 1984.

45 (c) Three members whose terms expire on June 30, 1985.

46 SEC. 348. 1. Except as otherwise provided in this section, sections
 47 1 to 347, inclusive, of this act become effective on July 1, 1982.

48 2. Any agency of the legislative and executive departments may take
 49 reasonable steps before July 1, 1982, and, in particular, make any
 50 appointments required by this act, to ensure that the provisions of this

1 act are carried out in an orderly fashion. Members of the board of direc-
2 tors of the state industrial insurance system and the advisory council for
3 the department of industrial relations must be appointed on or before
4 October 1, 1981 to serve in an advisory capacity until July 1, 1982.
5 3. The Nevada industrial commission, the commissioner of insur-
6 ance, and the labor commissioner shall cooperate fully in accomplishing
7 the purposes of this act.

⊙

AMENDMENT TO S.B. 548

SECOND REPRINT

Amend section 79, page 21, line 13, after the word "services" by deleting "." and inserting:

and the services under the provisions of Chapter 284 of NRS
except as otherwise specifically provided in this chapter.

Amend section 87, page 22, line 42, after the word "are" by inserting:

outside the provisions of Chapter 284 of NRS and are

Amend section 90, page 23, between lines 11 and 12 by inserting a new subsection 3 to read as follows:

3. May appoint outside the provisions of Chapter 284 of NRS
not to exceed five persons in management positions designated
by the board that report directly to the manager or an assistant
manager. Once designated these positions cannot be changed with-
out the approval of the commission created by chapter 284 of NRS.